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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

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CN9300464

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FEB 25 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Honorable Thomas S. Foley
House of Representatives
1201 Longworth House Office Building
Washington, DC 20515

Dear Mr. Speaker:

Thank you for your letter on behalf of Joel Crosby, Council Member, City of Spokane, Washington. Your constituent has submitted the Spokane City Council's comments concerning the Cable Television Consumer Protection and Competition Act of 1992.

On the issue of cable rates, the Commission has a clear understanding that Congress adopted the Cable Act of 1992 to constrain unreasonable cable rates. The Commission is in the process of formulating rules implementing the rate provisions of the law and is seeking public comment on those provisions that address rate rollbacks, refunds, and evasions of statutory requirements. The Commission will attempt to implement these provisions faithfully, and will consider the conduct of the cable industry during the interim period in deciding what kind of regulation is needed.

Your constituent's letter will be placed in the record of our proceedings to implement the 1992 Cable Act. I trust that the foregoing and the enclosures are informative.

Sincerely,

Roy J. Stewart

Roy J. Stewart
Chief, Mass Media Bureau

Enclosures

Congressional

CONGRESSIONAL CORRESPONDENCE TRACKING SYSTEM
02/09/93

LETTER REPORT

CONTROL NO. DATE RECEIVED DATE OF CORRESP DATE DUE DATE DUE OLA(857)

9300464 02/09/93 02/05/93 02/22/93

25

TITLE

MEMBERS NAME

REPLY FOR SIG OF

Speaker

Thomas Foley

BC

CONSTITUENT'S NAME

SUBJECT

Joel Crosby

inq. re: rate regulation & 92 Cable Act

REF TO

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DATE

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02/09/93

2/9

2-10

REMARKS:

9 FEB 1993

THOMAS S. FOLEY
5TH DISTRICT, WASHINGTON

THE SPEAKER

PLEASE REPLY TO
CONGRESSIONAL OFFICE
☐ 1201 LONGWORTH HOB
WASHINGTON, DC 20515-4705
AREA CODE (202) 225-2006

Congress of the United States
House of Representatives
Washington, DC 20515

PLEASE REPLY TO
DISTRICT OFFICES:
☐ WEST 601 FIRST AVENUE
SECOND FLOOR WEST
SPOKANE, WA 99204
AREA CODE (509) 353-2155
☐ E. 12929 SPRAGUE
SPOKANE, WA 99216-0736
AREA CODE (509) 926-4434
☐ 28 W. MAIN
WALLA WALLA, WA 99362-2816
AREA CODE (509) 522-6372

Mr. Foley
CA TV-464

February 5, 1993

Ms. Linda Townsend Solheim, Director
Office of Legislative Affairs
Federal Communications Commission
1919 M Street NW
Washington, D.C. 20554

Dear Ms. Solheim:

Enclosed is a copy of a letter that I received from Joel Crosby of Spokane, Washington, regarding his support for the implementation of cable rate regulations in the City of Spokane.

While I realize that the FCC is not required to regulate cable rates until April of 1993, given the nature of Mr. Crosby's comments, I would appreciate your taking steps to ensure his thoughts are addressed. Any comments you may have will be welcome.

With best wishes.

Sincerely,

Thomas S. Foley
Thomas S. Foley
Member of Congress

TSF:njv
Enclosure

RECEIVED
93 JAN -7 AM 9:28
HON. THOMAS S. FOLEY



December 31, 1992

Donna Searcy
Secretary of Federal Communications Commission
1919 M Street NW
Washington, D.C. 20554

SPOKANE CITY COUNCIL

Dear Secretary Searcy:

Enclosed you will find copies of testimony given to the Spokane City Council on December 14, 1992, regarding the Cable Bill which was recently passed by Congress. As you can see by the enclosed testimony, many citizens in Spokane are dissatisfied with rates, billing practices and policies of Cox Cable.

I would like to request that Spokane be a city which comes under the FCC regulation of cable rates as soon as possible. Please inform me of any steps we must take to speed up this process.

You will see that complaints of Spokane residents may be summarized as follows:

- 1) Rates are too high.
- 2) Billing practices are unfair and arbitrary.
- 3) Cox Cable is not willing to listen to our Mexican American Community.
- 4) Costs of access to programming are unfair and hinder competition.

Thank you for your attention to these concerns.

Sincerely,

Joel Crosby/ap
Joel Crosby
Council Member

cc: Senator Slade Gorton
Congressman Tom Foley
Bob Gordon



OFFICE OF THE CITY COUNCIL

SPOKANE CITY COUNCIL

December 11, 1992

TO: Mayor and Council

FROM: Joel Crosby

SUBJECT: Hearing On Cox Cable Rates And Performance

Since the passage of the Cable Bill the FCC has been proceeding to write regulations to implement the bill. I have scheduled a hearing tonight which will give our citizens the opportunity to comment on Cox Cable rates and services. If there is sufficient interest I believe we need to direct our Cable Advisory Board to pursue a request for the FCC to apply the Cable Bill to Spokane and Cox Cable.

Comments made at the hearing should be sent to the FCC with our lobbyist Bob Gordon and to Congressman Foley, Senator Gorton, and Senator elect Murray.

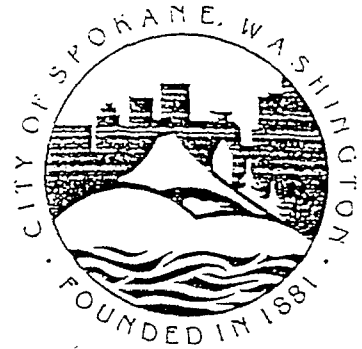
The enclosed information demonstrates the difference between competitive and monopolistic cable rates. Where a monopoly exists I believe it is the responsibility of elected officials to strongly represent the public and protect their interests.

One problem with our current Cable Advisory Board is the lack of Council representation and guidance necessary to represent the interest of our citizens. Councilwoman Reikofski is supposed to be the liaison to this board but does not attend meetings. Even before she left for Romania she gave this board no attention.

The Council bears ultimate responsibility for cable oversight. Unless we take leadership Cox Cable will continue to take advantage of the monopoly they enjoy at the expense of our citizens.

Enclosures

*Rates
Quality*



OFFICE OF THE CITY COUNCIL

SPOKANE CITY COUNCIL

November 4, 1992

TO: Cable Advisory Committee

FROM: Councilman Joel Crosby

SUBJECT: Need for action to implement the Cable Bill in
Spokane

Since our last meeting I have been working through Bob Gordon, the City's lobbyist in Washington, D.C., and the National League of Cities, to gather information on cable rates and the cable bill. As a result of my efforts I make the following observations and recommendations:

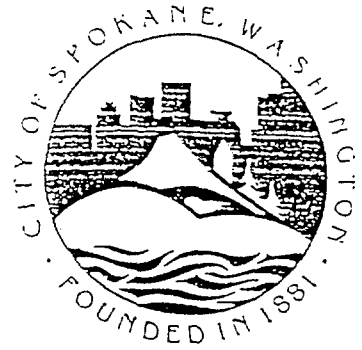
OBSERVATIONS:

1. As I made a comparison of cable rates in Spokane and the Northwest with rates in places where there is competition, the contrast reveals that Spokane rates are too high. An easy way to make this comparison is to look at Cox Cable's cost of \$21.46 for 34 channels which is .63 cents per channel. This compares unfavorably with almost all of the competitive systems. In part, the case can be made that Cox is charging double the rate in a competitive market and does not offer very many channels.

EXAMPLE:

The same Cox Cable company that charges Spokane ratepayer's \$21.46 for 34 channels at .63 cents per channel charges customers in Georgia \$10.00 per month for 34 channels at .29 cents per channel.

*Rates
Quality*



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SPOKANE CITY COUNCIL

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FROM: Councilman Joel Crosby

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EXAMPLE:

The same Cox Cable company that charges Spokane ratepayer's \$21.46 for 34 channels at .63 cents per channel charges customers in Georgia \$10.00 per month for 34 channels at .29 cents per channel.


RECOMMENDATION:

1. The City Council should hold a public hearing to take testimony, along with the Cable Advisory Committee. This hearing will gain valuable input from our citizens who are cable customers.
2. The Cable Advisory Committee should oversee the preparation of a background piece as suggested by the National League of Cities.
3. Depending upon the outcome of public testimony, the City Council should request that the FCC give Spokane Cable ratepayer's relief through rate regulation and respond to other citizen concerns expressed at the hearing.
4. The City Council and Cable Advisory Committee need to take action in 1992 while the FCC regulations are being written.
5. We have a window of opportunity that may be limited and we need to act decisively in the next few weeks, and work the issue throughout 1993 as the FCC develops regulations and procedures which will hopefully help communities like ours that face monopolistic cable rates and service.

Attached are rates and memo's from Bob Gordon and Bob Beaumier.

MEMORANDUM

TO: Councilmember Joel Crosby

FROM: Robert G. Beaumier, Jr., Assistant City Attorney 

DATE: November 3, 1992

RE: Public Hearing on Cox Cable rates

Pursuant to your request, I have made inquiries about the relative impact of competition on local cable rates. Although there is disagreement on how the figures are derived, one consultant familiar with the industry suggests as a rule of thumb that the rate differential is about forty percent (40%) lower cable rates in those communities with effective competition, compared to communities without such competition. I have contacted Rene Winskey (202) 626-3061, staff with the National Association of Telecommunications Operators and Administrators (NATOA) for data to support this forty percent figure. Unfortunately, because of budget limitations, the City of Spokane has dropped its \$200 individual membership (for Glen Lipsker) in NATOA. It would be of some help to me if at least Mr. Lipsker's membership could be restored and our information channel with NATOA kept open.

Of interest however is the finding in the Congressional committee conference report adopting the 1992 Cable Act amendments:

1. rates have been deregulated under the 1984 Cable Act for 97% of all cable franchises since 1986.
2. since rate deregulation, basic service rates have gone up at least 40% for over a quarter of the nation's cable subscribers. While it is also true that the average number of basic channels has increased from 24 to 30 channels, the average cable rates have increased almost 30% since 1986; triple the consumer price index.

You inquired further of the process for pursuing FCC review of Cox's rates in Spokane. Prior to the City of Spokane taking action to request FCC review, the City must file a written certification with the FCC promising that it will comply with FCC regulations (these are due from the FCC by April of 1993) and certifying the City meets other requirements of the new law (section 623 (a) (3), amended), including the implementation of procedures for rate regulation whereby the City assures a

reasonable opportunity for consideration of the views of interested parties. Again, I understand there are NATOA materials available, free of additional charge, for members wishing to pursue these areas.

I shall be having lunch with Alan Collins a week from Friday, and intend to discuss with him his thoughts about rates and what position Cox will be taking on municipal rate review.



FAX NUMBER (202) 347-0625

DATE:

11/3

TIME:

5:00 PM EST

FACSIMILE MESSAGE

PLEASE DELIVER THE FOLLOWING 4 PAGES & COVER PAGE

TO:

JOEL CROSBY

FROM:

BOB GORDON

If you do not receive any of the following pages, please contact the sender at (202) 737-0213.

Telephone Number Called:

509/326-5712



November 3, 1992

To: Joel Crosby

From: Bob Gordon

Subject: Cable TV

Attached are figures for monthly rates, number of channels, and price per channel for the cable systems operating in the 26 competitive markets I listed for you in my October 21 memo. The original is very difficult to decypher; where illegibility may have won out you will find a (?). It is not faxable, but I have sent a copy to you by regular mail. The source is a March 1990 telephone survey by Consumers' Research. Rates are for basic cable service. The survey also lists 26 non-competitive areas, which you will see when you receive the mailing.

Since my last memo I have spoken to 2 or 3 others around town in an attempt to flesh out the list of competitive markets. No one seems to have a complete list handy, but all refer to the Cable and TV Handbook and the Cable Yellow Pages, neither one of which I have yet seen.

A report on the all-day meeting with the FCC last Wednesday, attended by NLC, USCM, NATOA, and telecommunications officers from 3 or 4 cities: Discussions involved rates and customer services provisions. The FCC was of a mind to keep the process as simple as possible: e.g. perhaps a simple form postcard that a franchising authority could fill out to certify that there is no effective competition in the community and that it wants to undertake regulation - FCC would have 30 days to object, with no response constituting approval. FCC is also inclined to minimal customer service standards, with franchisers able to develop stricter standards. The attendees wanted more than the minimum on this from the FCC. The cable industry and broadcasters meet with the Commission this week.

LC (Anna Ferrara) suggests that the best way a community can ready itself a comment on the proposed regulations is to develop a background piece on its existing system: when the franchise was renewed, what community tandards exist, how is cable regulated currently (e.g. are there State egulations), together with an appendix of pertinent documents and a brief escription of the kind of regulatory role the community sees itself laying. She anticipates regulations by the end of the year, although the CC still has not organized itself for the task. About 15 FCC types will e involved. Two of the key players will be Bill Johnson, Mass Media ireau, and Bob Pepper, Office of Plans and Policy.

am sending a copy of this to Roger Crum to keep the Manager's office prised of the timing on regulations.

: Roger Crum

- 2 -

<u>City/Cable Company</u>	<u>Monthly Rate</u>	<u>No. of Channels</u>	<u>Price per Channel</u>
Troy, AL			
Storer	\$9.95	36	27 cents
Troy Cablevision	14.00	48	29 "
Mesa, AZ			
Dimension Cable	18.95	32	59 "
Cable America	13.95	56	25 "
Chula Vista, CA			
Cox Cable	11.85	29	41 "
Ultronics	11.85	37	32 "
Sacramento, CA			
Pacific Select TV	13.95	16	87 "
Sacramento Cable	18.50	50	37 "
Cape Coral, FL			
Teresat	13.95	52	27 "
Cablevision Indus.	11.25	56	20 "
Citrus Co., FL			
Cablevision of Cen.Fl.	11.05	32	36 "
Teresat	13.27	53	25 "
Orange Co., FL			
Cablevision of Cen.Fl.	8.95	32	28 "
Cablevision Indus.	7.95	45	18 "
Teresat	11.95	50	24 "
Orlando, FL			
Cablevision of Cen.Fl.	18.00	31	58 "
Cablevision Indus.	13.00	31	42 "
Brunswick, GA			
Rentavision	12.95	54	24 "
Star Cable	12.00	54	22 "
Cumming, GA			
Cable USA	19.95	41	47 "
Cable TV of Georgia	18.95	45	42 "
Vidalia, GA			
TC	12.75	31	41 "
Southland	15.75	39	40 "
Warner Robbins, GA			
Cox Cable	10.00	34	29 "
Watson Comm.	13.95	34	41 "

- 3 -

<u>City/Cable Company</u>	<u>Monthly Rate</u>	<u>No. of Channels</u>	<u>Price per Channel</u>
Boone Co., KY			
Jacor	15.95	46	35 cents
Storer	19.30	64	30 "
Frankfort, KY			
Consolidated TV Cable	7.00	30	23 "
Community Cablevision	7.00	30	23 "
Glasgow, KY			
Tele????	8.95	42	21 "
Glasgow EPB	13.50	43	31 "
Ann Arundel Co., MD			
North Arundel Cable	11.90	41	29 "
Jones Intercable	14.25	32	45 "
Monroe, MI			
Toledo Blade	14.50	41	35 "
River Raisin(?) Cable	16.95	42	40 "
Omaha, NE			
Cox Cable	17.66	40	44 "
Metrovision	14.00	29	48 "
Hillsboro, NC			
Cablevision Indus.	17.95	29	62 "
Carolina Cable	18.50	35	53 "
Paramus, NJ			
Cablevision	17.95	35	69 "
UACablesystems	17.45	33	53 "
Cleveland, OH			
MetroTEN	13.95	25	56 "
North Coast	14.50	60	24 "
TBA(?)	14.95	37	40 "
Allentown, PA			
Twin County Trans Video	14.50	50	29 "
Service Electric	14.95	43	35 "
Pottsville, PA			
Service Electric	14.99	36	42 "
Warner	13.95	28	50 "
Wire Teleview	10.95	25	44 "
Henderson, TN			
Multivision	9.00	30	23 "
	11.95	45	32 "

- 4 -

<u>City/Cable Company</u>	<u>Monthly Rate</u>	<u>No. of Channels</u>	<u>Price per Channel</u>
Marrollton, TX			
torer	17.95	32	49 cents
lanned Cable Systems	17.95	44	41 "
ndy, UT			
I	17.95	29	62 "
sight Cablevision	17.95	12	56 "
BRAGE	14.13	40	35 "

NORTHWEST CABLE RATE COMPARISON

<u>City</u>	<u>Operator</u>	<u>Basic Rate Including all Taxes, Fees</u>	<u># Channels</u>	<u>Additional Fee if provided Converter</u>	<u>Fully - Loaded Rate if Converter/ Tuner Needed</u>
Spokane	Cox Cable	\$21.46/ 19.93 ¹	34/46 ²	0	\$21.46/ 19.93
Seattle	TCI	23.08	36	2.36	25.44
Bellevue	Viacom	22.45	31	1.00	23.45
Tacoma	TCI	23.08	30	2.36	25.44
Tacoma	Viacom	22.45	27	0	22.45
Portland	Paragon	23.10	46	3.16	26.26
Yakima	TCI	22.65	31	2.00	24.65
Boise	TCI	22.45	33	0	22.45
Coeur d'Alene	Cable- vision	24.25	32	0	24.25

Footnotes:

- 1 Rates effective July 1, 1992. Cox Cable Spokane provides a 7% discounted rate to customers 65+.
- 2 # channels depends on whether customer resides in an area already upgraded or not.

NORTHWEST PREMIUM RATE COMPARISON

<u>CITY</u>	<u>OPERATOR</u>	<u>HBO RATE</u>	<u>SHOWTIME RATE</u>	<u>DISNEY CHANNEL RATE</u>	<u>THE MOVIE CHANNEL RATE</u>
Spokane	Cox Cable	\$ 8.60	\$ 8.60	\$ 8.60	\$ 8.60
Seattle	TCI	13.95	13.40	12.03	-
Bellevue	Viacom	11.00	9.00	9.00	11.00
Tacoma	TCI	12.70	12.20	10.95	-
Tacoma	Viacom	12.95	12.95	12.95	12.95
Portland	Paragon	11.00	10.47	10.47	6.26
Yakima	TCI	11.60	11.60	9.20	-
Boise	TCI	10.95	10.95	10.95	-
Coeur d'Alene	Cablevision	10.75	10.75	7.95	10.75



November 4, 1992

FOR IMMEDIATE RELEASE

SPOKANE CITY COUNCIL

CONTACT: MICHELLE MARSH 625-6250

Councilman Joel Crosby is pursuing the need for implementation
of the Cable Bill in Spokane.

Attached is a copy of the memo sent to the Cable Advisory
Committee.

For further questions, please contact the City Council Office
at 625-6255.

CABLE TELEVISION RATE INFORMATION

(Sampling)

Mesa, AZ

Dimension Cable Co. Three tiers of basic cable; limited basic is comprised of local broadcast, government access, public access, QVC shopping network, WGN, TBS, and a Spanish language channel, for \$10.95/month. Mid tier basic consists of five additional channels for \$15.95/month. Complete basic includes 35 channels for \$21.45/month. No convertor charge. Remote control is \$3.00/month.

Cable America. There are 21 channels in their first tier of basic for \$7.95 and 57 channels in their basic plus for \$17.95/month. No convertor fee. Remote control is \$2.50/month.

Sacramento, CA

Pacific West TV. No tiering in basic. Twenty-three channels for \$19.95. Disney channel is included as part of basic. No convertor or remote control fee.

Sacramento Cable. Two basic cable tiers. Limited basic cost \$10.00/month for 27 channels (includes local broadcast, access, ESPN, C-SPAN I and II, Video Juke Box, Telemundo (a Spanish language network), an international channel, and superstations from Atlanta, Chicago, and New York. Complete basic has 50 channels for \$22.00/month. Convertor is free. Remote control is \$3.75/month.

Warner Robbins, GA

Cox Cable. Three Tiered system. First Tier includes channels 2 through 13 (local) for \$6.77/month. The next tier includes channels 14 through 23 for \$14.95/month. Their "expanded" basic includes channels 24 through 44 for \$20.42/month. Convertor fees vary depending upon many options.

Watson Cable. Basic has one tier. Forty-seven channels for \$16.95/month. Convertor is free. Remote control is \$3.00/month.

Troy, AL

Storer Cable. Two tiers of basic. Thirty-two channels for \$8.10/month and 37 channels for \$9.95 per month. Premium channels are \$4.95/month.

Troy Cablevision. One tier of basic. Fifty-two channels for \$14.00/month. Convertor is \$2.00/month.

Chula Vista, CA

Ultronics. One tier of basic offered. Fifty-four channels for \$17.95/month. Convertor is \$12.00 annually. Remote control is \$3.00/month.

Cox Cable. Two tiers of basic. Limited basic is 15 channels for \$14.85 (consists of local broadcast of San Diego and Los Angeles). Full basic is either 36 or 60 channels (system is currently under upgrade at this time), for \$22.95/month. No convertor fee for basic. Remote control is \$3.95/month.

ndy, UT

TCI. Two tiers of basic. First tier is 26 channels for \$18.69. Expanded basic is 31 channels for \$20.64/month.

Insight Cablevision. Two tiers of basic. Limited basic is local programming, includes channels 2 through 13 for \$4.00/month. Full basic includes 34 channels for \$22.45/month.

*These two cable operators have two geographically distinct franchise areas. Consumers do not have an option of choosing one operator over another.

The following list includes areas from Robert Gordon's list of cities, submitted by councilman Joel Crosby, in which I was not able to make comparisons.

ning, GA

able USA - No listing in directory (NLID)

able TV of Georgia

County, KY

cor - NLID

orer Cable

a, NE

x Cable

strovision - NLID

wn, PA

in County Trans Video - NLID

vice Electric

sen, TN.

tivision - NLID

le America

oral, FL

levision Industries

sat - Purchased by Cablevision in Summer of 1992.

Results in Brief

Our survey showed that over the period between December 1989 and April 1991:

- Average monthly rates for the lowest priced basic service increased by 9 percent, from \$15.95 to \$17.34 per subscriber; the average number of channels offered dropped by one.
- Average monthly rates for the most popular basic cable service increased by 15 percent, from \$16.33 to \$18.84 per subscriber; the average number of channels offered increased by two.
- The number of systems offering only one tier or level of service decreased from 83.4 to 58.6 percent. The number of systems offering two or more tiers increased from 16.6 to 41.4 percent. Some of the legislative proposals introduced in 1990 would have generally restricted rate regulation to only the lowest priced basic service.
- Overall monthly revenue (basic rate charges, premium services, pay-per-view, etc.) to cable operators per subscriber increased on average by 4.2 percent, from \$26.36 to \$27.47, between December 1989 and December 1990. In comparison, the increase between December 1990 and March 1991 was 4.7 percent for the 3-month period. As discussed later, the increase for the 3-month period was due, in part, to two pay-per-view offerings during March, which generated substantial revenue for some systems.

Appendixes I and II contain tables detailing the results of our survey.

Basic Rates and Services

Over the more than 4 years since deregulation, our surveys showed that the charge for the lowest priced service increased 56 percent, from an average of \$11.14 to \$17.34 per month, and the subscriber on the average received 6 additional channels (24 to 30). The most popular basic service showed a higher increase of 61 percent, from an average charge of \$11.71 to \$18.84 per month; the subscriber on the average received 8 additional channels (27 to 35).³

Over the 15-month period—December 31, 1989 to April 1, 1991—the monthly rates for the lowest priced basic service increased by 9 percent, from an average of \$15.95 to \$17.34 per subscriber, with the average number of channels decreasing by 1 (31 to 30). The monthly rates for the most popular service increased by 15 percent, from an average of

³During this period, the nation's overall price level for consumer goods, as measured by the gross national product implicit price deflator, rose by about 17.9 percent. Taking inflation into account by adjusting April 1991 cable rates to November 1986 constant dollars results in increases of about 32.0 percent for lowest priced basic service and 36.5 percent for most popular basic service.

\$16.33 to \$18.84, with an increase of 2 in the average number of channels offered (33.6 to 35.3). Table 1 below shows the rate changes since November 30, 1986.

Table 1: Average Monthly Basic Service Charge per Subscriber

Date	Average basic service charge per subscriber for:	
	Most popular service	Lowest priced service
11/30/86	\$11.71	\$11.14
12/31/89	\$16.33	\$15.95
4/1/91	\$18.84	\$17.34

Table 2 shows how subscribers were affected by the different ranges of the rate increases. As the table shows, approximately 70 percent of subscribers for the most popular service and 66 percent for the lowest priced service incurred rate increases of more than 10 percent between December 31, 1989, and April 1, 1991. Additional basic service data are detailed in appendix I.

Table 2: Changes in Basic Rates Since December 31, 1989

Change in rate	Percentage of subscribers with rate change between 12/31/89 and 4/1/91 for two services	
	Most popular	Lowest priced
No change or decrease	6	12
Increase		
>0≤5	5	6
>5≤10	18	16
>10≤20	40	35
>20≤30	19	17
>30≤40	7	7
>40≤50	1	2
>50	3	5

Tiering of Basic Service

The results of our most recent survey indicate that there was a sizable decrease in the number of systems offering only one tier of service from 83.4 to 58.6 percent between December 31, 1989, and April 1, 1991.

Correspondingly, the number of systems offering two or more tiers increased from 16.6 to 41.4 percent. Some of the legislative proposals introduced in 1990 would have generally restricted rate regulation to only the lowest priced basic service.

1 bear. There are very few places in the United States, under 50, I believe, that actually have
2 competitive situations where you have places where you have two cable companies
3 competing for rates. And, thus, the outrage grew, and so the Cable Bill passed, over the
4 veto of the President, and now there is a Cable Bill where the FCC is now in the process of
5 writing regulations. Part of those regulations relate to rates and I think that it would be
6 appropriate for citizens to make comment and that we would send those comments to the
7 FCC and to our lobbyist, Mr. Gordon, in Washington D. C., and to our congressional people.

8 Just to give you an idea, Mr. Gordon sent me some facts which showed comparable
9 rates with competitive situations and our own situation with rates. Then, the cable people
10 at the Cable Advisory Board, Mr. Collins and his people, said those rates were not accurate.
11 They needed to be updated. So Mr. Lipsker, who is the head of our cable operation, then
12 evaluated and got some updated comments on some of those rates. When you look at the
13 competitive rates around the country, you can see that even when you compare other places
14 where there are competitive rates and our rates that are charged by Cox Cable, you can see
15 there is a big difference. I personally have, when I was elected City Council, my family
16 wanted to see the meetings, so we got Cox Cable. I have Cox Cable, the Disney Channel,
17 and a remote that costs me about \$40 a month. In Sacramento, California, if I lived in
18 Sacramento, California, through Pacific West TV, I could have 23 channels, plus the Disney
19 Channel, plus a remote, a converter, for \$19.95, which is basically half what I pay for what
20 I receive now. And, you look at their other situations around the country where there are
21 lower rates, some of them very significant. In Troy, Alabama, you can receive 32 channels
22 for \$8 - \$8.10 a month, and 37 channels for \$9.95 a month, and premium channels are only
23 \$4.95 a month. And there are other comparisons, but... I think the point is that, I believe,
24 Cox has set their rates based upon what they think the public will tolerate and they do
25 surveys to evaluate that and then, not based on competition, but based on what they think

1 the public will tolerate, they set those rates and are allowed to keep those rates and I think
2 we, as a City Council, as public elected officials, need to be a force for the market place.
3 They also, I think, are treating some segments of our community without really listening to
4 them. I met with some people from the Mexican/American community and they felt that there
5 are some program they wanted to see on Cox Cable, or some avenues that they wanted, and
6 those avenues they felt were being - were turned away and they weren't given help to find
7 ways that they could put their programming on Cox Cable or any kind of programming on the
8 television. I think that's unfortunate that a segment of our community has been effectively
9 excluded. And, so I think, I felt it was helpful to have a hearing, to give people a chance to
10 speak their piece, that we would send those comments to the FCC and that we would follow
11 this, the Cable Bill, as it goes through the FCC regulation writing process which will take the
12 next three to four months, and then we can look at that and see how that can be applied.
13 We also may want to look at ways we can bring competition to Spokane. There are
14 communities where the telephone companies are offering a cable service, and that provides
15 an effective competition to Cox Cable, and if that could happen, then that would be - provide
16 a competitive situation for Cox, and you would see their rates go down. It's without a doubt,
17 I believe, that Cox does enjoy a monopoly. They have set their rates on that basis, and I
18 think that we need to do what we can to combat that. So, with that, I would like to open up
19 to citizens to testify.

20 MRS. BARNARD: One comment I did want to make, Mr. Crosby, and that is, in your memo,
21 you mentioned that Mrs. Reikofski did not attend their meetings. Mrs. Reikofski was there
22 at the beginning. It was our intention that she would only help them get started. Her
23 schedule did not permit, and she was not appointed to the Cable Advisory Board. They were
24 getting started, and we did not feel, just like with Human Services, we do not have enough
25 people to go around. If you would like to serve on the Cable Advisory Board, I would be